

In common with other countries of the world, the Dominion is still suffering from the evils of unemployment, although it is a matter for congratulation that this trouble in New Zealand is comparatively less in scope than elsewhere. Remedial measures, absorbing a large section of those unable to find work, have been taken by my Government, and there are now employed on the public works of the country a very large number of men in excess of those who would be engaged in such work in normal times. Considerable extra expenditure has also been necessary in providing the requisite housing facilities. The action taken by the Government, in conjunction with municipal authorities, has provided much-needed relief, and proposals dealing with the general question of unemployment will be brought before you.

Close attention is being devoted to pushing on to completion the various hydro-electric works now in progress in the Dominion, and with the utilization of power from Waikaremoana and Arapuni stations the services available to the people in this respect will be greatly enlarged.

My Ministers fully appreciate the importance of encouraging trade within the Empire, and it is their intention to see that preference to British manufactures is maintained, and the slogan of "Buy British goods" adhered to, wherever possible.

It is proposed to appoint a Trade Representative to Canada in the near future. This is in accordance with the wish of manufacturers and producers in Canada, and will form a very necessary nexus between the two Dominions.

The question of providing for a more regular steamship service between South Island ports and Australia has been receiving the earnest consideration of my Government, and it has been decided to invite tenders for a suitable service. This service will result in increased opportunities for our producers, and will provide improved facilities for the commercial community as well as for the travelling public.

MR. SPEAKER AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES,—

It is most gratifying to note that the industry of our producers, in conjunction with an excellent season in New Zealand and good prices abroad, resulted in the exports from this Dominion for last year being raised to the record total of £57,154,000. These exports exceeded the imports by over £12,000,000, which, following upon the favourable balance of trade for the previous year, has greatly strengthened the banking and general financial resources of the Dominion. These facts augur well for the immediate future, when a general stimulation of business should greatly assist in overcoming unemployment, which unfortunately is still a feature of our economic life.

It is regretted that the operations of the public finances for the year ending 31st March last resulted in a deficit of £577,000. My Ministers recognize that the position must be rectified without delay, and are giving the matter their earnest attention. The estimates for the present year are being most carefully scrutinized, but some adjustments of the incidence of taxation will be necessary. Proposals to this end will be submitted for your consideration.

In order to provide additional capital for carrying on the programme of public works, notably railway-construction and improvement and development of hydro-electric power, a further loan of £7,000,000 was raised in London in January last. The issue price was £95 per cent., bearing interest at  $4\frac{1}{2}$  per cent., and the successful flotation on these terms is further evidence of the confidence of investors in this Dominion. In conjunction with this issue for new money, a further offer was made to holders of New Zealand 4-per-cent. 1929 Consolidated Stock to convert up to £12,000,000 of this stock into  $4\frac{1}{2}$ -per-cent. 1948-58 stock similar to that issued in the case of the new cash loan. Holders of the 4-per-cent. stock were offered £104 5s. of the new stock for £100 of the old stock. The result was very satisfactory, practically the whole of the amount offered being taken up.

Arrangements have been made by my Ministers to provide additional capital for State advances, and every effort is being made to meet the legitimate demands of settlers and workers for loans for the purchase and